UNITED
NATIONS

A

General Assembly

Distr.
General

A/46/546
9 October 1991

ORIGINAL: ENGLISH

Forty-sixth session
Agenda item 111

AMINISTRATIVE AND BUDGETARY COORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the note by the Secretary-General transmitting an interim study on the need for the development of accounting standards to be applied in the United Nations system (A/46/341), prepared by the Panel of External Auditors in accordance with General Assembly resolution 45/235 of 21 December 1990.

2. The Advisory Committee recalls that the General Assembly made its request for the preparation of such a study on the recommendation of the Advisory Committee, following a meeting between the Committee and the Panel of External Auditors at which the question of the development of generally accepted accounting principles to be applied by United Nations organizations was discussed, together with related subjects on which the Advisory Committee shared the concerns of the Panel. The Committee's views with regard to the urgent need for such a study, utilizing the services of the International Accounting Standards Committee (IASC), were reflected in its report (A/45/570) on the financial reports and audited financial statements and reports of the Board of Auditors.

3. As a result of further discussions between the Advisory Committee and the Panel in April 1991, it was agreed that the Panel would expand on the work already completed in preparation for its submission to the forty-sixth session of the General Assembly. The Advisory Committee understands that the interim study has also been the subject of several inter-agency discussions during the year.

4. Having considered the current submission of the Panel (A/46/341), the Advisory Committee is further convinced of the urgent need for reviewing, formulating and adopting common accounting standards to be applied in the United Nations system. The Committee urges that the agencies in the Administrative Committee on Coordination also regard this matter as a priority, with a view to bringing about a satisfactory conclusion to the discussions referred to above before the start of the forty-seventh session of the General Assembly.

5. Should the agencies be unable to reach agreement, the Advisory Committee recommends that the United Nations itself commission the Panel of External Auditors to prepare a comprehensive study, in time for it to be considered by the General Assembly before the end of its forty-seventh session. In the Advisory Committee's view, the cost of the study should be modest. Cost estimates for the study should be provided by the Secretariat to the Fifth Committee before its consideration of this item during the current session.

6. The study, which would be for application, in the first instance, to the United Nations and its programmes, would take into account all the issues outlined in the present document, and should utilize the services of an audit expert, whose terms of reference would be to develop a set of common accounting standards based on the standards of organizations such as the International Accounting Standards Committee (IASC) and the International Organization of Supreme Audit Institutions (INTOSAI) and amended as appropriate to suit the United Nations system. The expert would also need to be thoroughly familiar with the United Nations system and would need to work closely with the administrations in coordination and cooperation with the External Auditors of the United Nations organizations to ensure that all views and needs are taken into consideration.

7. The Advisory Committee will revert to this matter, either on the basis of the agreement which would emerge from the deliberations in ACC, or on the basis of the study described in the preceeding paragraph, and report to the General Assembly at its forty-seventh session.